

1-1 By: Carona S.B. No. 697
 1-2 (In the Senate - Filed February 21, 2013; February 25, 2013,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 March 18, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; March 18, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 697 By: Carona

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the qualifications of certain nonresident individuals
 1-22 to hold a surplus lines agent license.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 981.203, Insurance Code, is amended by
 1-25 adding Subsection (a-1) to read as follows:

1-26 (a-1) Notwithstanding Subsection (a)(1)(B), an individual
 1-27 is not required to obtain a general property and casualty or a
 1-28 managing general agent license to hold a surplus lines agent
 1-29 license if:

1-30 (1) the home state of each insured is Texas;

1-31 (2) the individual is a nonresident of this state;

1-32 (3) the individual is licensed as a surplus lines
 1-33 agent in the individual's state of residence;

1-34 (4) the individual does not hold a managing general
 1-35 agent license in this state;

1-36 (5) the individual is not required by the individual's
 1-37 state of residence to hold a general property and casualty license
 1-38 to become licensed as a surplus lines agent;

1-39 (6) the individual has provided information
 1-40 acceptable to the commissioner that the individual's state of
 1-41 residence does not require a property and casualty agent license
 1-42 for a surplus lines agent license;

1-43 (7) the individual's state of residence does not
 1-44 require a surplus lines agent to search for the availability of
 1-45 insurance in the individual's state of residence before the
 1-46 insurance is placed through a surplus lines agent;

1-47 (8) the individual's state of residence allows a
 1-48 licensed general property and casualty agent to search for the
 1-49 availability of insurance in the individual's state of residence;

1-50 (9) the individual has a professional relationship
 1-51 with, and each transaction is conducted through, a person who:

1-52 (A) is a licensed general property and casualty
 1-53 agent in this state or in the state of each transaction; and

1-54 (B) searches for the availability of insurance in
 1-55 this state before the insurance is placed through a surplus lines
 1-56 agent; and

1-57 (10) each transaction complies with the laws of the
 1-58 state in which it occurs.

1-59 SECTION 2. The change in law made by this Act applies to a
 1-60 license application submitted on or after the effective date of

2-1 this Act. A license application submitted before the effective
2-2 date of this Act is governed by the law in effect immediately before
2-3 the effective date of this Act, and that law is continued in effect
2-4 for that purpose.

2-5 SECTION 3. This Act takes effect September 1, 2013.

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